

Clean Power Mercury Reduction Agreement

Frequently Asked Questions

Who was involved in developing the plan?

The proposal to use a wet scrubber system was developed during the summer of 2005 by a small group of interested parties which worked collaboratively to find a mercury reduction method which would achieve the desired goal while minimizing the economic impact on customers. The group included: the NH Office of Energy and Planning; the NH Department of Environmental Services; members of the Legislature; the New Hampshire Audubon Society; the New Hampshire Lakes Association; and PSNH.

How does a wet-scrubber system work?

A wet scrubber system utilizes crushed limestone and water to create a “slurry” which interacts with and absorbs sulfur dioxide and mercury within the flue gas system, prior to the emission stage.

How do you know a wet-scrubber system will work at Merrimack Station?

Wet scrubber technology has been utilized for years as a primary method to reduce the emission of sulfur dioxide (SO₂) emissions. In addition, the technology has more recently proven to successfully reduce mercury (Hg) emissions. The history of this technology indicates that it will successfully reduce sulfur and mercury emissions at Merrimack Station.

Why hasn't a wet scrubber system been installed earlier at Merrimack Station?

Merrimack Station has successfully complied with all state and federal environmental regulations to date through a variety of investments and projects. Emission reduction regulations are becoming more stringent and challenging, in turn impacting the evolution of emission reduction technologies and the costs associated with utilizing those technologies or, if available, the purchase of compliance credits. It makes sense from both environmental and business perspectives to now develop a wet scrubber system at Merrimack Station.

Why was an 80 percent reduction of mercury selected as a target – can more mercury reduction be achieved?

Yes, more mercury reduction can be achieved. The proposal suggests and anticipates incentives for both interim reduction of mercury emissions, prior to the 2013 startup of a wet scrubber system – and additional mercury emission reduction following the startup. The mercury removal target of 80 percent is in line with the overall goal which was developed by the Legislature as part of its initial proposal, Senate Bill 128.

Why was 2013 selected as the 'start up' of the new technology? Can anything be done in the meantime to reduce mercury emissions?

The original legislative proposal, SB128, set July, 2013 as a target date to achieve a significant reduction of mercury at Merrimack Station. The date makes sense for the wet scrubber proposal, given that it will require significant time for design, permitting, site work and construction. In the meantime, the proposal outlines incentives to encourage interim reductions of mercury through other means, including carbon injection technology.

What will be the cost of the project be?

It is estimated that the project will require a capital investment of up to \$250 million and annual operating expenses of about \$10 million. As a regulated utility, PSNH must receive authorization from the NH Public Utilities Commission before making any such investment.

How will the project costs be paid?

If the New Hampshire Public Utilities Commission (NHPUC) approves the project, the costs will be recovered from customers through PSNH rates. Importantly, many of these costs will be offset by a reduction in the number of related emission reduction credits which must now be purchased by PSNH. Currently, PSNH spends about \$20 million per year on sulfur dioxide credits, and the price of those credits is expected to increase. The proposal anticipates a significant reduction in the required purchase of SO₂ credits, thereby offsetting project costs.

Will there be additional employees hired as a result of the project?

Yes. The new system will require some additional fulltime employees to be added to Merrimack Station's current workforce of 100 employees.